

South Carolina Department
of
Labor, Licensing and Regulation

Annual Accountability Report
Fiscal Year 2002-2003

The Honorable Mark Sanford, Governor
Adrienne R. Youmans, Director

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I. EXECUTIVE SUMMARY

INTRODUCTION

In 1994 the South Carolina Legislature created the South Carolina Department of Labor, Licensing and Regulation (LLR) by combining 40 separate state agencies including the Department of Labor, the State Fire Academy, the Office of the State Fire Marshal and 38 professional and occupational licensing boards. Legislators envisioned an organization that would promote efficiency and build accountability while delivering the highest level of customer service. In January 2003 Governor Mark Sanford appointed Adrienne Youmans, the Agency Director. Director Youmans and her senior staff, revised the agency's strategic plan this year. The new agency mission, values and strategic goals follow.

MISSION, VALUES AND STRATEGIC OBJECTIVES

Mission

The mission of the Department of Labor, Licensing and Regulation is to promote and protect the health, safety and economic well-being of the public through regulation, licensing, enforcement, training and education.

Our mission goes hand-in-hand with the Governor's effort to raise personal incomes of South Carolinians by creating a better environment for economic growth, delivering government services more openly and efficiently, improving quality of life, and improving our state's education.

LLR accomplishes its mission by:

- Promoting an environment of growth and innovation which allows regulated businesses and professionals to operate successfully and free of overly restrictive and unwarranted regulation.
- Providing cost efficient administration and periodic review of licensing and certification programs to assure the appropriate protection of the public.
- Conducting required inspections, complaint investigations, and enforcement activities in a manner that is fair, accountable and cost effective.
- Providing businesses and industry, the fire service, our licensees and the public relevant training and education programs.

Values

Integrity – It is our most fundamental value. Acting honestly, objectively and ethically is the right way to do business and provide services. It is how we build long-term trusting relationships.

Excellence – We strive for exceptional performance and service, take pride in our work and continually seek to improve.

Accountability – As individuals and as a department, we are accountable to the public and to each other for all of our actions.

Agency Goals

- Goal # 1: Improve the effectiveness of agency programs.**
- Goal # 2: Improve the efficiency of agency processes and systems.**
- Goal # 3: Provide the necessary resources to improve the agency's ability to provide efficient and effective services.**

OPPORTUNITIES AND BARRIERS

The biggest barriers to accomplishing our Agency's mission continues to be the budget reductions LLR has incurred and addressing the budgetary inequities that come from having state appropriated and revenue generating programs in the same agency. To date, the agency has taken cuts totaling \$3,471,835 of which \$2,916,971 is state appropriation. This represents a 41% reduction of our state funds. The Division of Labor is most affected by these cuts because 60% of the agency's state appropriation is in the Labor Division. Because of their regulatory nature, the division does not keep revenue generated from penalties or fees. All revenues generated are remitted to the general fund. Our other divisions, for the most part, are other funded and support themselves through licensing and other fees and the insurance premium tax and are not effected by the budget reductions.

Because of the agency's inability to provide the state match required to fund OSHA programs, LLR returned to the federal government or deobligated \$373,912 this past fiscal year.

Currently, permanent reductions to our base have had the following impact to our programs:

- Three trainer positions in the Occupational Safety and Health Act (OSHA) Voluntary Program have been eliminated. These trainers teach South Carolina's workforce how to make safety a priority in all kinds of job situations, from driving a forklift to handling hazardous chemicals to wearing personal protective gear.
- One inspector and one clerical position were eliminated in the Elevators and Amusement Ride program. The loss of the inspector, along with an increase in elevators state-wide, has caused the amount of time it takes to schedule an inspection to increase.
- One Program Manager, one Program Coordinator and four clerical positions in the Occupational Safety and Health Program (OSHA) were eliminated. LLR continued to leave vacant several safety and health inspector positions which has caused the number of inspections of South Carolina workplaces to decrease by 21% and the potential for noncompliance with OSHA standards to increase. This could lead to higher injury and illness rates in the State.

- Two positions in our Labor Services - Mediation Program have been eliminated. Investigation services for industrial disputes, strikes and lockouts are only provided in critical situations involving threat of violence and/or a critical work stoppage.
- Five positions in our Wage Claim and Child Labor Program have been eliminated. This has caused an increase in the lapse time between when a complaint is received and when investigations of violations of the payment of wages and child labor laws can begin.
- Vacant positions in Administration were not filled in the following areas: Legislative Liaison, Public Information, Human Resources, Finance and Information Services. Additional restrictions have also been placed on travel, equipment, telephones, leased cars, beepers and computer software upgrades.

Combining forty cultures into one was and continues to be a challenge. When these entities were combined into one "umbrella" organization in 1993 for greater accountability, legislation also required services to be performed which had not been offered earlier. While statutes require these additional services for accountability, no additional dollars were given to the agency for these services or for administering the boards. To add to the problem, legislation requires each Board to be self-sustaining. This requirement is extremely difficult for boards with a small number of licensees; therefore, the ultimate outcome for the agency is to have a number of "rich" boards and a number of "poor" boards which can barely meet budget requirements. This funding inequity has also had implications involving inequity in pay and resources. While the agency continues to implement strategies to address this problem, creating a climate of unity is a difficult feat.

The agency is still required to remit 10% of all Professional and Occupational Licensing Programs (POL) expenditures and all excess funds in the Contractor's Licensing Board to the general fund. This practice was instituted prior to restructuring, when central state government agencies such as the Budget and Control Board, Attorney General's Office, Comptroller General's Office and State Treasurer's Office devoted significant time to assisting the boards in administrative matters. Since the administrative burden now belongs to the agency, we believe this revenue should remain with the agency. This requirement makes it more difficult for some of our boards to become self-sufficient. Currently about 10% of our boards are not self-sufficient. A major court cases in California concluded that the practice of using licensing fees from the various professions for general fund purposes is illegal.

LLR has identified several opportunities for improvement that we will be pursuing in the upcoming year. These improvements will:

- Reduce inefficiencies
- Eliminate unnecessary regulations or restrictions
- Transfer power to appropriate authorities
- Move programs that charge fees off of state appropriation and make them revenue-funded programs.

TENTATIVE LEGISLATION:

- Requesting a change in statute that would move the Migrant Farm Workers Commission and its responsibilities to the Commission on Minority Affairs.
- Requesting several changes in statutes and regulations that would eliminate unnecessary professional and occupational licensing boards, consolidate similar boards or adjust programs to eliminate duplication of services and unreasonable restrictions to practice. This includes major revisions to Title 40 – Professions and Occupations. These changes would also create uniformity across the POL division in board member selection, disciplinary processes and fees.
- Requesting statute and appropriation changes that would move all licensure and permitting programs that are state appropriated to revenue-based operations. This includes the Elevator and Amusement Ride program in the Division of Labor and the Building Codes and Manufactured Housing programs in the POL division.
- Requesting changes to the State Fire Marshal statute that would move inspection responsibilities to local government where appropriate and improve service delivery by the Office of the State Fire Marshal.

MAJOR ACHIEVEMENTS

- 1) The Firefighter Mobilization Committee, which the State Fire Marshal chairs, worked with the Homeland Security Grant Program of SLED to secure over 4.9M in grants that will provide Urban Search and Rescue (USAR) equipment and training, Mobile Mass Decontamination equipment and Homeland Security Awareness training to Fire Departments and Emergency Responders state-wide.
- 2) The Safetyworks! campaign launched in 1999 as part of an effort to educate businesses about free services available through the Office of OSHA Voluntary Programs (OVP) continues to succeed. The Safetyworks! campaign has resulted in 40,566 hazards being corrected in South Carolina workplaces and saved over \$21 million in fines for South Carolina employers since its inception. **South Carolina continues to lead the nation in OSHA state plan states with 44 Palmetto Star sites**, despite having the strictest requirements in the nation. This program, which is voluntary, provides recognition to qualified employers who exceed the requirements of the Occupational Safety and Health Act of 1970 in providing their workers a safe and healthy worksite. Palmetto Star sites' injury and illness rates and total lost workday incident rates are 84% below the South Carolina Bureau of Labor Statistics rates.
- 3) The United States Department of Labor announced in December that South Carolina's injury and illness rate for private industry is 4.5, down from 1999's rate of 5.7. **This is the lowest rate in the 29-year history of the state OSHA program.** South Carolina continues to have one of the lowest rates in the United States.
- 4) ReLAES, the agency's consolidated licensing system provides a common database of all POL licensees, the ability to renew on-line and a common licensing system. In addition to having

a system written in one programming language as opposed to the piecemeal approach of using five different languages, greater accountability has been achieved in the agency's financial processes. The implementation of ReLAES has reduced the number of temporary employees required for licensing. Currently, almost one half of approximately 265,000 POL licensees are on the ReLAES system.

- 5) The Licensee Lookup System provides POL customers with immediate access to licensure information. In FY03, over 4 million licensee verifications were done online. This system relieves staff from a tremendous workload of responding to license verification requests and provides customers with the information they need immediately.
- 6) The South Carolina Fire Academy assisted the State Emergency Management Division with a statewide simulated emergency drill in June involving weapons of mass destruction. The Fire Academy was one of five locations in the Columbia area where emergency managers, first responders, firefighters, state agencies, federal agencies and military personnel from across South Carolina came together to test their readiness. The drill at the Fire Academy simulated a hijacked aircraft involving hostages and weapons of mass destruction. The Fire Academy's 737 aircraft training prop and firefighting equipment made the scenario very real. This event could not be staged at an operating airport without impacting passengers and airport operations.



Emergency responders participate in a drill at the S.C. Fire Academy.

- 7) Agency supervisors completed 100% of their performance evaluations in a timely manner. Agency supervisors continue to get annual EPMS training and assistance from Human Resources in the setting of appropriate and meaningful success criteria.
- 8) LLR eliminated three deputy director positions resulting in savings of \$355,644. The agency also piloted a self-directed work team, the first in the state, to manage the Finance, Procurement, Human Resources, Information Technology and Mail Services functions of the agency.

- 9) Reduced office space at 3600 Forest Drive resulting in new savings of \$285,160 over the next two years. Other savings include reducing the cost of printing for the “Freddie Fire Safety” curriculum and agency newsletters (\$160,000), ending the Public Safety contract (\$62,600) and consolidating the Public Information and Legislative Liaison offices (\$85,000).

KEY BUSINESS DRIVERS

LLR’s key business drivers include:

	<u>FY03</u>
• Percentage of businesses in voluntary compliance with OSHA	99.6%
• South Carolina injury and illness rate (private sector)	4.5
• Fire deaths	92
• Firefighter deaths	0
• Elevator and amusement ride fatalities	0
• Number of POL licenses verified by Internet	4,000,000
• Number of POL license applications processed	263,524
• EPMS’s completed on time	100%
• Website visitors	610,080
• Fire Academy students	18,813
• Fire Code violations corrected	8,126
• Wages collected for employees	\$1.9M

USE OF REPORTS

The Accountability Report is used to report the accomplishments of the agency to external entities such as the Governor, Ways & Means Committee and the general public. To monitor our agency’s progress in accomplishing our strategic plan goals and improving our organizational performance, the senior staff uses a quarterly report system.

II. BUSINESS OVERVIEW

Effective February 1, 1994, Act 181 created the South Carolina Department of Labor, Licensing and Regulation (LLR) which merged the Department of Labor, the State Fire Marshal's Office, the South Carolina Fire Academy and 38 professional and occupational licensing boards into the new agency.

The legislation empowered the Governor to appoint a director of the agency with the advice and consent of the Senate.

LLR is organized into four divisions: Fire and Life Safety; Labor; Professional and Occupational Licensing (POL); and Administration. The Fire and Life Safety Division is located in Columbia on Monticello Trail at the State Fire Academy. The Division of Labor is housed at 3600 Forest Drive in Columbia. The Divisions of Administration and Professional and Occupational Licensing are located at 110 Centerview Drive in the Kingstree Building, also in Columbia.

LLR has 456.93 FTEs, but a significant number of these, 70.25, remain vacant because of the recent budget cuts.

Our customers include the 2,000,000 employees of the State, the 100,000 employers, 255,000 licensed professionals, 18,000 firefighters, 750 fire departments, 300 board members of the Professional and Occupational Licensing Division and everyone who is regulated by our statutes. LLR's customers are also the citizens of South Carolina and visitors to our State who use the services of those we license and/or regulate. Other customers include the Governor, the State Legislature and other State agencies.

Major products and services of our agency include:

- Administering laws that pertain to employer/employee relationships such as occupational safety and health, payment of wages, child labor, migrant labor and mediation of disputes between unions and businesses.
- Inspection and permitting of elevator and amusement rides in South Carolina.
- Providing courtesy inspections, technical assistance and training to aid the business community in voluntary compliance with all areas of the Occupational Safety and Health Act.
- Licensing and discipline of numerous occupations and professionals such as accountants, doctors, nurses, massage therapists, barbers, residential builders, etc..
- Training the state's fire service personnel – paid, volunteer and industrial and other emergency service employees.
- Ensuring compliance with national and state-adopted fire safety codes and standards.

Our budget is currently \$29.5 million of which \$4.97 million are state funds. This figure does not reflect the 1% budget reduction approved by the B&C Board on August 20, 2003. (See attached chart for further information.)

Accountability Report Appropriations/Expenditures Chart SC Department of Labor, Licensing and Regulation

Base Budget Expenditures and Appropriations

Major Budget Categories	01-02 Actual Expenditures		02-03 Actual Expenditures		03-04 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$15,402,726	\$3,995,632	\$15,041,755	\$3,420,288	\$14,761,474	\$2,994,802
Other Operating	\$8,004,229	\$887,299	\$8,046,916	\$666,487	\$10,432,934	\$696,166
Special Items	\$95,052	\$	\$8,808	\$3,479	\$105,000	\$
Permanent Improvements	\$15,000	\$	\$	\$	\$	\$
Case Services	\$	\$	\$	\$	\$	\$
Distributions to Subdivisions	\$306,176	\$	\$1,193,824	\$	\$	\$
Fringe Benefits	\$4,315,750	\$1,185,974	\$4,346,984	\$1,103,013	\$4,283,974	\$1,107,761
Non-recurring	\$	\$	\$	\$	\$	\$
Total	\$28,138,933	\$6,068,905	\$28,638,287	\$5,193,267	\$29,583,382	\$4,798,729

Other Expenditures

Sources of Funds	01-02 Actual Expenditures	02-03 Actual Expenditures
Supplemental Bills	\$	\$
Capital Reserve Funds	\$	\$
Bonds	\$	\$

Interim Budget Reductions

Total 01-02 Interim Budget Reduction	Total 02-03 Interim Budget Reduction
\$1,064,563	\$697,491

III. ELEMENTS OF MALCOLM BALDRIGE AWARD CRITERIA

LEADERSHIP

Senior staff in the agency communicates short and long term direction through the agency's strategic plan. The Agency Director continually communicates her vision to the agency and ensures progress by establishing objectives and action plans that involve nearly all of the employees of the agency. The strategic plan is tied to every employee's performance evaluation so that there is a clear understanding of expectations.

The organizational values of the agency represent its guiding principles. The intent of the senior staff is to demonstrate the values in all communications and interactions with customers and employees.

The senior staff promotes a focus on customers by establishing customer satisfaction as the one of our key performance measures. The agency's internal newsletter highlights superior service providers. The characteristics they display reiterate the agency's commitment to providing excellent customer service. Each division monitors customer satisfaction. In the POL Division customer surveys are included on each board's web page, attached to online renewals and requested from every walk-in customer. The Division of Administration conducts formal and informal surveys each year of its internal customers. The Division of Fire and Life Safety conducts on-going course and facility evaluations of the State Fire Academy along with surveys of Fire Marshal inspection clients. The Division of Labor surveys those who receive the services of OSHA Voluntary Programs.

The agency's senior staff monitors performance measures on a regular basis, usually quarterly. Some of the more key measures focused on include:

- Processing times for invoices, travel, personnel actions
- Customer Satisfaction Levels
- Processing times for permitting, licensing and investigations functions
- Injury and illness rates for South Carolina's top 5 most hazardous SIC codes
- Fire deaths and their root causes
- Effectiveness of the "Freddie" fire safety education and prevention program
- Turn-around time on investigations and inspections
- Hazards corrected
- % of applications that do not meet criteria for licensure
- Complaints against licensees
- Lapse time between complaint and investigation

This information is used to monitor the impact of our services, enforcement techniques and educational programs. The information is also used as a guide to developing or revising programs or processes that will effectively accomplish our mission. For example, in the OSHA program, the injury and illness rates are monitored quarterly by specific Standard Industry Codes

(SIC) and the industries with the highest rates are the focus of consultation and inspection services in an effort to lower the number of injuries and illnesses for that SIC code.

Every effort is made to use performance review findings and employee feedback to improve both the senior staff's and agency's effectiveness. Management receives feedback from employees during scheduled meetings with their staff. The Director has an open door policy. Employees are invited to eat lunch with her to discuss issues they are facing. The Director interviews every employee who leaves LLR. The feedback received is discussed at monthly senior staff meetings. Director Youmans and her senior staff meet regularly with agency boards and their members and associations and advisory committees of the fire service, elevator and amusement ride program and professional and occupational licensees. The feedback received allows us to evaluate our progress and react accordingly

Our senior managers encourage participation in associations related to their profession. Active participation in national associations such as the Council on Licensure, Enforcement and Regulation (CLEAR), National Association of Governmental Labor Officials (NAGLO), Occupational Safety and Health State Plan Association (OSHSPA) and National Association of Nursing Board Administrators as well as governmental associations like the SC Government Finance Officers Association (GFOA) and International Personnel Management Association (IPMA) is encouraged. Several of our employees have served as officers in these organizations.

Senior managers also encourage our agency's active involvement with the local community. Our employees have adopted the first graders at E. E. Taylor Elementary School. This year we sponsored a visit to the Columbia Marionette Theatre and Puppetry Center and a trip to Riverbanks Zoo. The committee in charge of these activities raises monies to support their efforts through employee hot dog, book and bake sales. Monetary support is also provided to LLR employees and their families during crisis situations. Other community groups supported include the United Way, American Red Cross, First Ladies' Walk for Cancer and American Cancer Society's Relay for Life. LLR employees, POL board members and POL licensees participated in the Groundhog Job Shadow Day sponsored by the Department of Education, LLR and the Employment Security Commission in February 2003.



United Way Committee Team Members Glinda Legette, Terri Hammond, Libby Hardwick, and Wanda Brasington prepare for the lunch rush at the Chili/Chicken Bog Fundraiser.

STRATEGIC PLANNING

The Director and her senior staff met earlier this summer to review the strategic plan, update it to reflect accomplishments and revise it to meet the direction she and the senior staff have set for the agency. A final report on the old strategic plan is being written and will be sent to all agency employees. The new plan is being communicated to all employees through staff meetings. Our agency goals and short term strategies are listed below.

Agency Goals and Short Term Strategies

Goal # 1: Improve the effectiveness of agency programs.

Short Term Strategy # 1A: Reduce by 3% the injuries and illnesses (total case rate) in the top ten industries as defined by USDOL.
Deadline – September 30, 2004

Short Term Strategy # 1B: Improve services of the Office of the State Fire Marshal making it more responsive, flexible and customer friendly.
Deadline – December, 2003

Short Term Strategy # 1C: Review and evaluate professional and occupational licensing programs, statutes, and regulations to identify opportunities to eliminate, consolidate or adjusting programs. Eliminate duplication of services and unreasonable restrictions to practice.
Deadline – December, 2004

Short Term Strategy # 1D: Increase by 5% the number of students registering for the Fire Academy IFSAC Certification testing.
Deadline – June, 2004

Short Term Strategy # 1E: Create a mechanism for obtaining input from front-line employees to identify best practices and communicate these practices with other program areas in agency.
Deadline – June, 2004

Short Term Strategy # 1F: Increase business services available to the public on-line for Elevator and Amusement Ride Program.
Deadline – December, 2003

Short Term Strategy # 1G: Increase by 25% the educational opportunities available to employers on Child Labor Laws
Deadline – June, 2004

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Short Term Strategy # 1H: Improve or implement elements of a safety and health program in 75% of the businesses receiving an OSHA consultation.
Deadline – September 30, 2004

Short Term Strategy # 1I: Develop and hire a consultant position in the Office of the State Fire Marshal to meet with customers, contractors, and design professionals and guide them through the design process.
Deadline – January 31, 2004

Short Term Strategy # 1J: Revamp Fire Safety Public Education programs using Fire Incident Reporting Information to increase the effectiveness of the programs.
Deadline – June 30, 2004

Goal # 2: Improve the efficiency of agency processes and systems.

Short Term Strategy # 2A: Improve by 10% the customer satisfaction rating of the agency.
Deadline – July 31, 2004

Short Term Strategy # 2B: Make on-line renewal available to 100% of licensees.
Deadline – June, 2005

Short Term Strategy # 2C: Improve the efficiency and public's understanding of the complaint and disciplinary process for licensees.
Deadline – December, 2004

Short Term Strategy # 2D: Make the administrative processes for licensing entities consistent and uniform.
Deadline – December, 2004

Short Term Strategy # 2E: Decrease by 50% the processing times for building and sprinkler plans review by the Office of the State Fire Marshal.
Deadline – November, 2004

Short Term Strategy # 2F: Initiate inspection of OSHA related fatalities and catastrophes within one day of notification for 97% of occurrences.
Deadline – September, 2004

Goal # 3: Provide the necessary resources to improve the agency's ability to provide efficient and effective services.

Short Term Strategy # 3A: Consolidate all programs and employees (except Fire and Life Safety) into one location.
Deadline – June, 2005

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Short Term Strategy # 3B: Reduce by 50% the number of cases and outside funds referred to outside attorneys for routine legal matters.
Deadline – June, 2004

Short Term Strategy # 3C: Merge the public information, legislative and ombudsman functions into one office.
Deadline – December, 2004

Short Term Strategy # 3D: Develop a plan that addresses the capital needs and maintenance issues facing the SC Fire Academy site.
Deadline – September, 2004

Short Term Strategy # 3E: Reduce by 10% the amount of funds expended on telephones, printing and postage agency-wide.
Deadline – June, 2004

Short Term Strategy # 3F: Develop a workforce planning strategy.
Deadline – June, 2004

Short Term Strategy # 3G: Develop a unified agency training plan as a resource for employees and managers in all divisions.
Deadline – June, 2004

The strategic planning process has created a forum for continuous improvement processes throughout the agency. The senior staff submits quarterly reports that highlight the work done in the past quarter toward the action plans developed by each division. Budgeting decisions are guided by the priorities of the strategic plan and are allocated appropriately.

CUSTOMER FOCUS

The Department of Labor, Licensing and Regulation continues to emphasize the importance of customer satisfaction to all of our employees. Maximizing customer service is a key strategy in our agency's strategic plan.

During the strategic planning process our customers were identified as the following:

- 2,000,000 Employees in South Carolina
- 100,000 Employers in South Carolina
- 265,000 Licensed Professionals
- 18,000 Firefighters
- 300 Board Members of the Professional and Occupational Licensing Division
- 750 Fire Departments

LLR's customers also include the citizens of South Carolina and visitors to our State who use the services of those we license and/or regulate. Other customers include the Governor, the State Legislature and other State agencies.

Senior staff, using tools learned through Malcolm Baldrige training, identified our customers and their key requirements. Below is an example. This list was developed for the Professional and Occupational Licensing Division.

Major Customers

Key Requirements

Applicants

Information on licensing requirements; organized, accurate, simple and timely licensing process

Licensees

Organized, accurate, simple and timely renewal process; fair and timely complaint handling; reasonable/valid continuing education requirements; timely communications

Services Consumers

Thorough and accurate licensing process to ensure public protection; fair and timely complaint handling; reasonably available licensee information; timely communications

General Public

Thorough and accurate licensing process to ensure public protection; fair and timely complaint handling; reasonably available licensing and licensee information; timely communications; prudent use of licensure-generated revenue- cost efficiency and effectiveness

Board Members

Necessary administrative support and oversight; fair and equitable treatment in distribution of available resources

Other state licensing entities	Thorough and accurate licensing process to ensure public protection; fair and timely complaint handling; reasonably available licensee information; timely communications
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Students	Information on licensing requirements
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A considerable amount of time is spent meeting with our customers to determine their level of satisfaction, ideas for improvement and expectations of our services. Senior staff meets regularly with agency boards, and associations, and advisory committees of the fire service, elevator and amusement ride program and professional and occupational licensees.

Surveys are done in all areas of the agency to gauge performance and customer satisfaction. The agency has a short term strategy of improving customer satisfaction rating of the agency by 10%. The deadline for accomplishing this goal is July 31, 2004.

INFORMATION AND ANALYSIS

The key business drivers shown in this report were selected to show our effectiveness on improving the safety and well-being of South Carolina citizens and visitors. These performance measures were chosen because they correlate with our agency's mission and goals and also with our customers' needs. The agency's three strategic objectives of maximizing customer satisfaction, employee satisfaction and the efficient use of resources when identifying key measures were also considered.

Our key business drivers include:

- Percentage of businesses in voluntary compliance with OSHA
- \$\$\$ saved in OSHA penalties by businesses using OSHA Voluntary Program Services
- South Carolina injury and illness rate
- Customer satisfaction levels
- Processing times for permitting, licensing and investigations functions
- Fire deaths in adults
- Fire deaths in children
- Firefighter deaths
- Students receiving Freddie-in-Schools fire prevention curriculum
- Elevator and amusement ride fatalities
- Number of POL licenses verified by Internet
- Number of POL license applications processed
- Employee turnover rate
- EPMSs completed on time
- Website visitors
- Fire Academy students
- Fire Code violations corrected
- Wages collected for employees

One of the objectives of our strategic plan is to make sure we are measuring the right things. Do the measures we use correlate to our agency's mission and the needs and desires of our customers? Great emphasis has been placed on developing performance measures that accurately measure the effectiveness of our programs, the satisfaction of our customers and the progress we have made in achieving our three strategic objectives.

To ensure that key requirements are met, data is collected on day-to-day operations agency-wide. There is also direct feedback received via contacts with customers and stakeholders. This information is used to change or recommend changes to services or the method(s) in which services are provided.

Several of the short-term strategies listed above in our strategic plan are examples of initiatives we are undertaking based on the information gathered. They include establishing a Fire Marshal Task Force that will look at the operations of the Office of the State Fire Marshal (OSFM) and make recommendations for improvement. Changes made recently to the plans review process at the OSFM has resulted in a 50% decrease in the time it takes to get a plan reviewed and approved by the office.

HUMAN RESOURCE FOCUS

LLR considers our employees our most valuable asset. During the past year our managers have focused on LLR's human resources and the employee satisfaction extensively. The human resources system must address needs including effective recruitment; equitable compensation; results-oriented performance management; retention and developmental efforts; and workforce planning. All of these needs are covered by action plans in our strategic planning process.

One of the most important methods of encouraging and motivating employees is through the Employee Performance Management System (EPMS). The agency has maintained its goal of 100% participation in the EPMS process for the July 1, 2003 Universal Review Date period. The agency continues to audit EPMS evaluations as they are submitted to the Human Resources office for linkage of employee performance to the strategic plan.

During the EPMS on-going communication stage, supervisors were encouraged to meet informally with employees each quarter or at least a minimum of once during the EPMS appraisal period to discuss their positive performance, listen to any concerns and provide constructive feedback. For supervisors' convenience, an electronic form was created to document the informal coaching sessions.

The Human Resources office also met with supervisors to discuss the total EPMS process and to develop elements and standards that measure employee accomplishments and that set performance expectations and goals for all employees.

Another way to encourage and motivate our employees is through recognition. LLR does this through several means. The LLR TIMES highlights an LLR “Superior Service Provider” employee in our agency newsletter. As part of “Public Service Recognition Week,” LLR’s senior staff sponsored an agency-wide picnic in May to recognize LLR employees and the outstanding job they do. A talent show, featuring performances by both employees and managers, was the highlight of the picnic.



The Tina Turner Review performs at the Agency Employee Appreciation Picnic in May.

LLR continues to offer programs that improve the well-being and satisfaction of our employees. These include:

- Weight Watchers Program
- Flex Time
- Yoga Classes
- Line-Dancing Classes
- Benefits Fair and Pre-Retirement Seminar
- Lunch n’ Learn Programs

Because of these and other programs, LLR was awarded the Psychologically Healthy Workplace Award from members of the South Carolina Psychological Association this past spring.

PROCESS MANAGEMENT

To reach our goal of efficient use of resources and to improve the delivery of our services, a unified agency Information Technology (IT) strategy and platform has been implemented. This plan supports the business needs of our employees and managers in all divisions, as well as enhancing the level of service received by our customers.

The most significant component of this strategy is the consolidated licensing system, *Regulatory, Licensing and Enforcement System* (ReLAES), which provides a common database of all POL licensees, the ability to renew on-line and a common licensing system. Currently, over one half of all POL licensees are on the ReLAES system and have the ability to renew their licenses on-line.

With the implementation of ReLAES, we have been able to reduce the need for temporary employees to open mail and process paperwork. Agency-wide, the cost of temporary employees was reduced by 3% last year and over 80% since 1999.

Numerous work forms have been converted to word processing templates. Along with the work forms, agency newsletters, brochures, codes of laws, etc. have also been added to the website. By allowing our customers to view, download and print these documents on an as-needed basis we save staff, printing and postage costs. It has also allowed the documents to be submitted electronically. Agency-wide, the cost for printing and postage has decreased 28% from FY02 expenditures.

Another initiative, Licensee Lookup, continues to save the agency thousands of dollars in staff and associated printing and postage costs. It allows licensee verifications to be done electronically without the intervention of LLR staff. While saving thousands of dollars in personnel and operating costs, it has also brought an essential public service directly to the desktops of customers and constituents. This year there have been over 4 million verifications done electronically on our licensees.

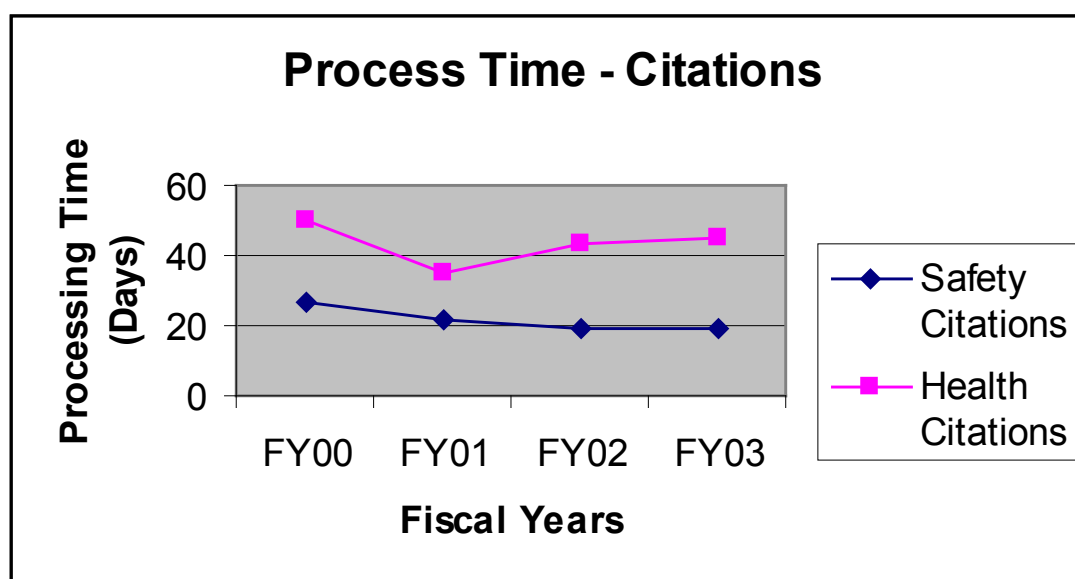
A link has been established on our Intranet site where employees could make suggestions on ways to save money agency-wide. All suggestions are analyzed and implemented where appropriate. The agency's funding sources are complicated and for the most part funds cannot legally be moved from one program area of the agency to another. While the cost-savings suggested for POL and Fire and Life Safety may not directly be used to offset general fund budget reductions, these savings are still extremely important to LLR as guardians of the citizen's tax dollars.

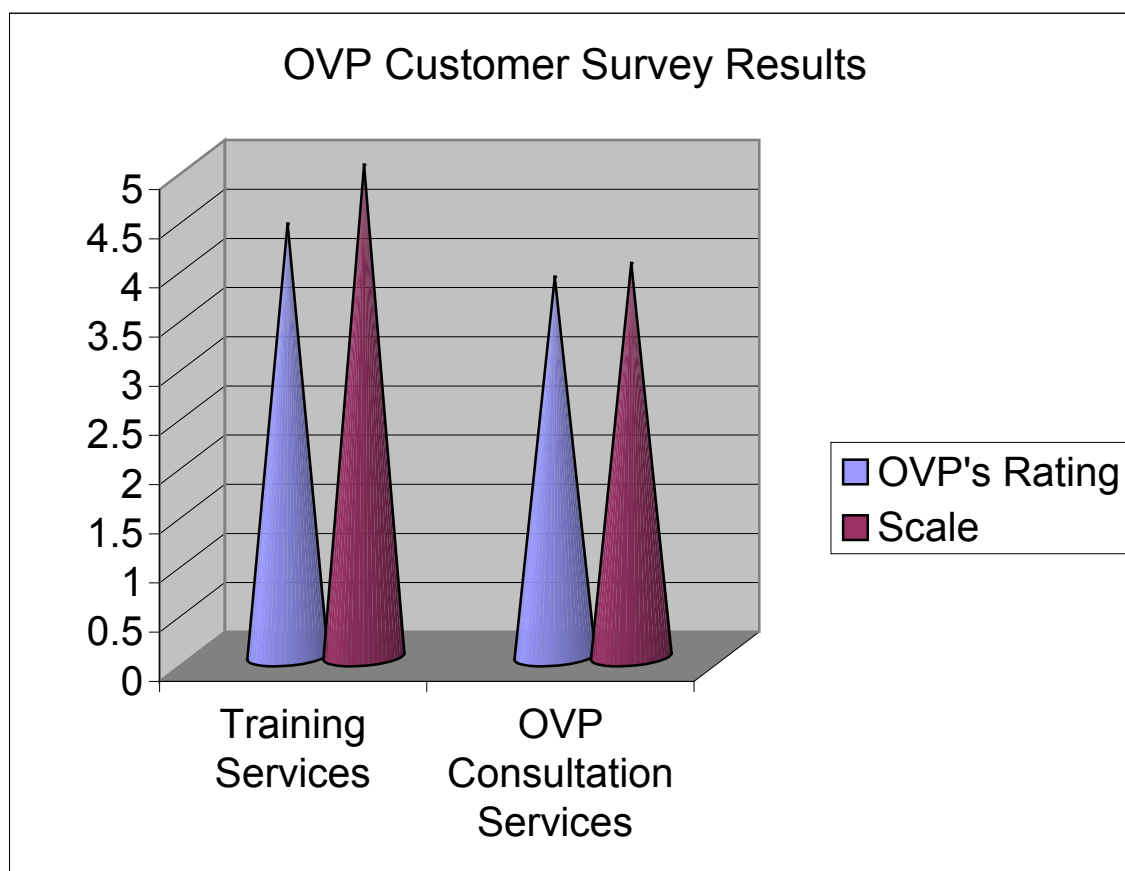
LLR remains committed to improving our processes. The strategic plan developed this year charges each division with systematically conducting periodic process reviews in units across the agency to identify "model processes" and processes that need improvement. This will provide divisions with factual information and comparison statistics for use in managing continuous improvement.

BUSINESS RESULTS

Customer Satisfaction

	FY00	FY01	FY02	FY03
\$\$ Saved in OSHA fines by businesses achieving compliance	6.7M	5.0M	4.4M	3.0M
Approved Palmetto Star sites	36	37	42	44
Initiate workplace fatality investigation within one day	95%	98%	100%	100%





“Freddie” Program Testing

	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
% Increase in test scores – After delivery of “Freddie” fire safety education program				
Kindergarten	23%	8%	26%	23%
First Grade	3%	8%	22%	5%
2 nd Grade	39%	44%	34%	29%
3 rd Grade	32%	16%	23%	12%
4 th Grade	56%	97%	99%	38%
5 th Grade	*37%	51%	95%	45%

IFSAC Testing Information

Discipline	FY 03 Tested	Passed	Pass Rate	FY 02 Tested	Passed	Pass Rate
Fire Fighter I	708	548	77.4%	1132	816	72%
Fire Fighter II	471	363	77%	699	485	69%
Driver/pump operator	51	48	94%	167	62	37%
Airport Fire Fighter	103	102	99%	111	111	100%
Instructor I	183	151	82.5%	245	190	78%
Fire Officer I	107	94	87.8%	210	190	78%
Haz Mat Ops*	13	13	100%	NA	NA	NA
Fire & Life Safety Ed.	0	0	0	41	31	76%
Total	1636	1319	80.6%	2605	1885	72.4%

*Hazardous Materials Operations was just IFSAC approved on March 20, 2003.

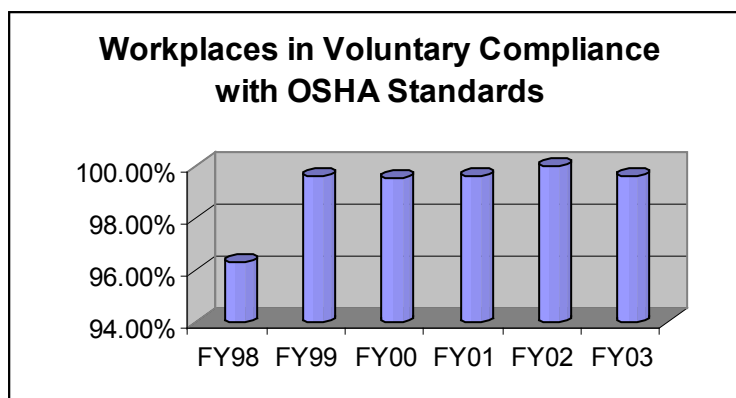
Fire Academy

	FY01	FY02	FY03
Total Programs Delivered	1,437	1,633	1,421
Total Students Trained	18,078	20,988	18,813

Mission Accomplishment

Calendar Year	1998	1999	2000	2001
SC injury and illness rate (National average was 6.1)	5.8	5.7	5.6	4.5

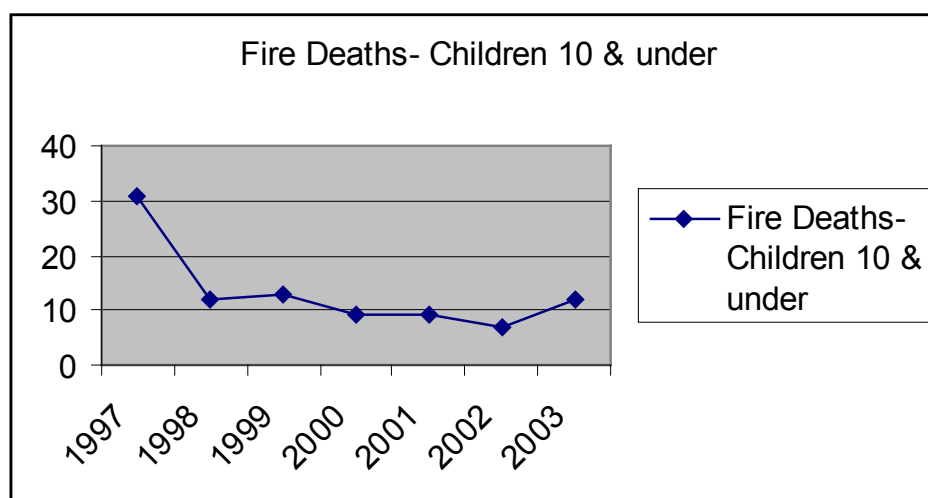
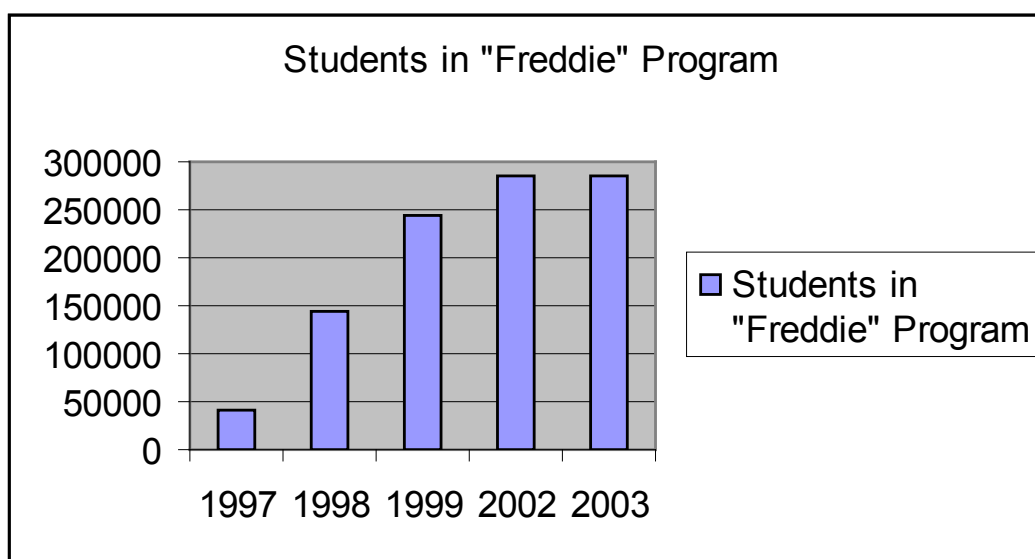
	FY00	FY01	FY02	FY03
Total hazards corrected - OVP	4,045	5,715	8,619	8,188
Fire Code Violations Corrected	*	*	4,295	8,126
% of employers implementing safety & health systems	59.3%	40%	59.3%	61%



	FY00	FY01	FY02	FY03
Elevator fatalities	0	0	0	0
Amusement ride fatalities	0	0	0	0
Bungee jump fatalities	0	0	0	0
Workers involved in strikes	501	625	0	0
Reported strikes	2	1	0	0
Work hours lost due to strikes	70,464	1,200	0	0
Violations cited – wage related	4,810	7,347	6,509	5,404

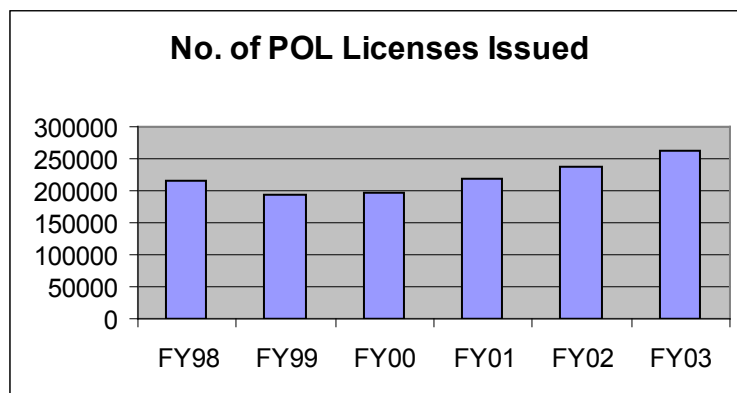
SC Department of Labor, Licensing and Regulation FY2002-2003 Annual Accountability Report

	FY00	FY01	FY02	FY03
Violations cited – child labor	31	274	145	98
Number of POL licenses processed	197,262	217,852	238,614	263,524
OSHA inspections	1,729	2,175	1,837	1,725
OSHA fatality inspections	32	38	37	34
Employees covered by OSHA	122,842	134,321	117,556	108,417

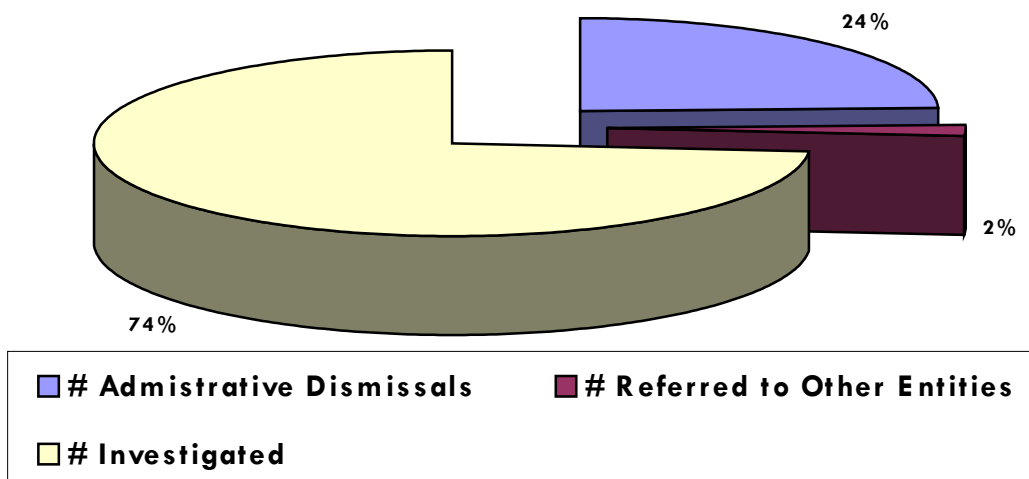


SC Department of Labor, Licensing and Regulation FY2002-2003 Annual Accountability Report

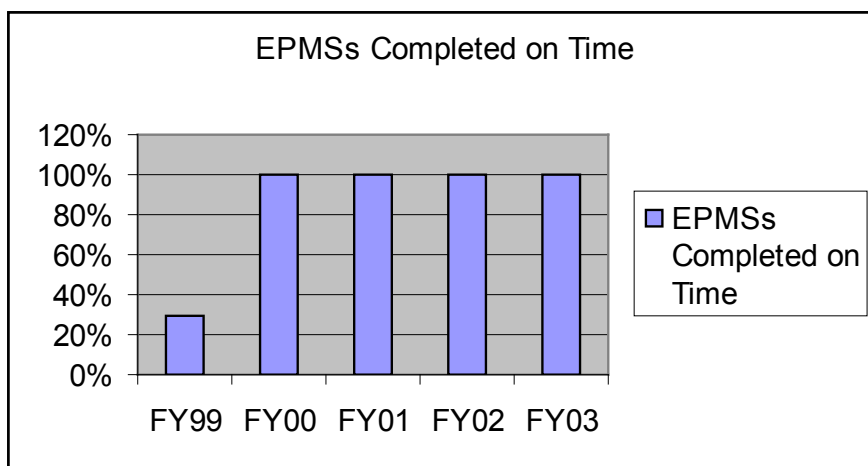
	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
Wage claim complaints investigated	1,873	2,483	2,044	1,562
Child Labor complaints investigated	119	137	102	91
Wage and Child Labor penalties assessed	\$142,830	\$350,100	\$402,800	\$150,929
Collective bargaining agreements negotiated	176	123	97	85
Elevators inspected	7,796	7,843	7,026	6,322
Elevators registered	7,677	7,995	8,393	8,642
Amusement rides inspected	1,027	899	874	750
Amusement ride permits issued	733	703	874	750
Bungee jumps inspected	1	1	1	1
Bungee jumps permitted	1	1	1	1
Inspections per Deputy State Fire Marshal	814	1,237	1,328	1,348
Inspections completed by Deputy State Fire Marshals	12,218	15,955	18,605	20,228
Students receiving Fire Marshal Certification	124	119	132	100
Building plans reviewed by Office of State Fire Marshal	503	539	605	1,674
Fire Academy training programs	1,317	1,437	1,633	1,421
Firefighters trained	17,292	18,078	20,988	18,813



Initial Complaint Disposition by Type- FY03



Employee Satisfaction



	FY00	FY01	FY02	FY03
Employee Turnover Rate	8.15%	5.67%	5.52%	8.48%

Other Accomplishments/Initiatives:

- Workforce Planning Needs Assessed and plan under development
- Job classifications have been identified for career path development.
- Every employee's EPMS is tied to the agency's strategic plan.
- Reward and Recognition Plan implemented and is currently under review.
- Leadership team sponsored and paid for an employee appreciation luncheon.

Supplier/Contractor/Partner

- OVP/Office of Migrant Labor partnered with SC Technical College Systems to translate the “It’s Your Life” video into Spanish. The video highlights the four major causes of death in the construction industry.
- OSHA communicates and assists family members of employees whose death was the result of an OSHA-related accident through their “next of kin” program.
- The Office of Wages and Child Labor conducts press conferences and provides press releases to media outlets throughout the state on child labor issues.
- The Board of Nursing continues to partner with the USC School of Nursing, the Nursing Association and the SC Colleagues in Caring (SCCIC), a professional organization for nurses, to study the current nursing shortage, causes and possible cures. Provided statistics and funding.
- Elevator and Amusement Rides Advisory Boards were set up to enable industry to comment and advise on procedures with the Office of Elevators and Amusement Rides. Continued partnership with elevator companies to increase technical training resources for staff.
- 100% of the staff in the Elevator and an Amusement Rides program is certified by the National Association of Elevator Safety Authorities. Every inspector who is authorized to inspect amusement rides has been certified by the National Association of Amusement Ride Safety Officials.
- The Office of the State Fire Marshal has partnered with the Department of Education to implement uniform code enforcement in schools. K-12 school inspections are now done on a two-year cycle.
- Partner with constituent groups to develop a Fire Marshal Re-certification Program and instituted quarterly training.
- Partner with DHEC to install 2,000 smoke alarms in counties having high fire death rates.
- Partner with the Department of Alcohol and Other Drug Associated Services (DAODAS) and the Coroner’s Association to look at incorporating fire safety materials into existing outreach programs.
- In an effort to increase career opportunity awareness of the professions and occupations licensed and regulated by LLR, Career Awareness Pages were developed and placed in Charleston Post and Courier, The State, Orangeburg Times and Democrat, The Sun News, The Sumter Daily Item, The Greenville News, The Camden Chronicle. These full-page supplements contain information on what each profession or occupation does and the general, educational and testing requirements needed for licensure. This year, Career Awareness Pages were published for professions as diverse as dentists; dermatologists; pharmacy technicians; residential builders; barbers and zoo veterinarians.

Regulatory and Legal Compliance and Citizenship

- Audits have been conducted by both state and federal entities for compliance with state and federal laws, mandates and regulations. No major audit findings or defects have been reported.
- Our employees have adopted the first graders at E. E. Taylor Elementary School. This year we sponsored a visit to the Columbia Marionette Theatre and Puppetry Center and a trip to Riverbanks Zoo. The committee in charge of these activities raises monies to support their efforts through employee hot dog, book and bake sales. Monetary support is also provided to LLR employees and their families during crisis situations. Other community groups supported include the United Way, American Red Cross, First Ladies' Walk for Cancer and American Cancer Society's Relay for Life.
- LLR employees, POL board members and POL licensees participated in the Groundhog Job Shadow Day sponsored by the Department of Education, LLR and the Employment Security Commission in February 2003.

Financial Performance

- LLR eliminated three deputy director positions resulting in savings of \$355,644.
- Ended contract with Department of Public Safety resulting in savings of \$62,600.
- Reduced the cost of the “Freddie in Schools” Public Fire Education Course by \$60,000.
- Reduced office space at 3600 Forest Drive resulting in savings totaling \$285,160 over the next two years.
- Consolidated the offices of the Public Information and Legislative Liaison saving \$85,000 annually.
- Putting Board newsletters on the internet which will save the agency approximately \$100,000 annually.

